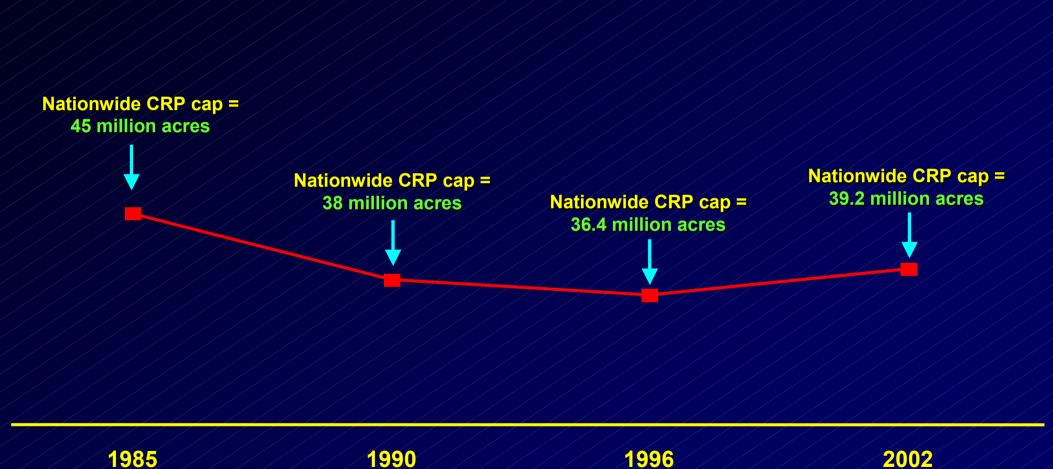


CRP Timeline



Food Security Act

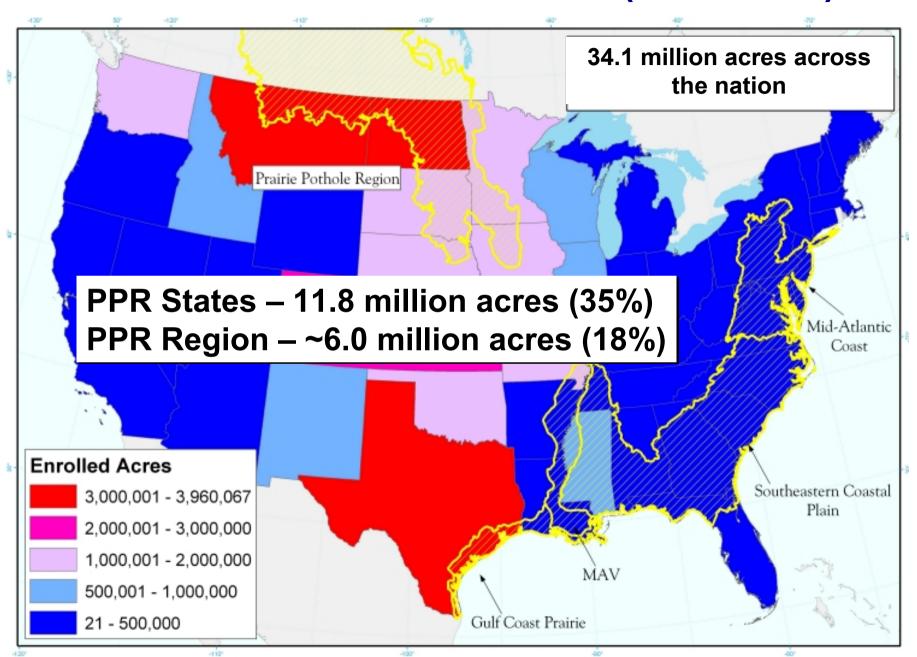
Food, Agriculture, Conservation and Trade Act Federal Agricultural Improvement and Reform Act

Farm Security and Rural Investment Act

Conservation Reserve Program

- No USDA program in history has done more for landscape-level conservation of soil, water, and wildlife habitat while providing producers with stable and diversified income.
- General CRP very popular with landowners with demand exceeding availability 2:1.
- Measurable Benefits:
 - Reduced soil erosion
 - ✓ Improved soil quality
 - Protected and improved water quality
 - Improved wildlife habitat

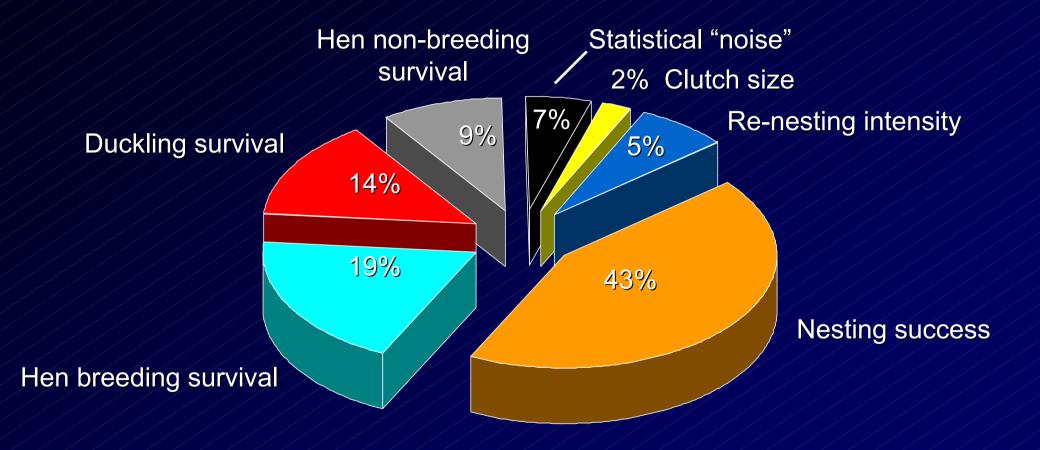
CRP Acres Current Status (Oct. 2003)



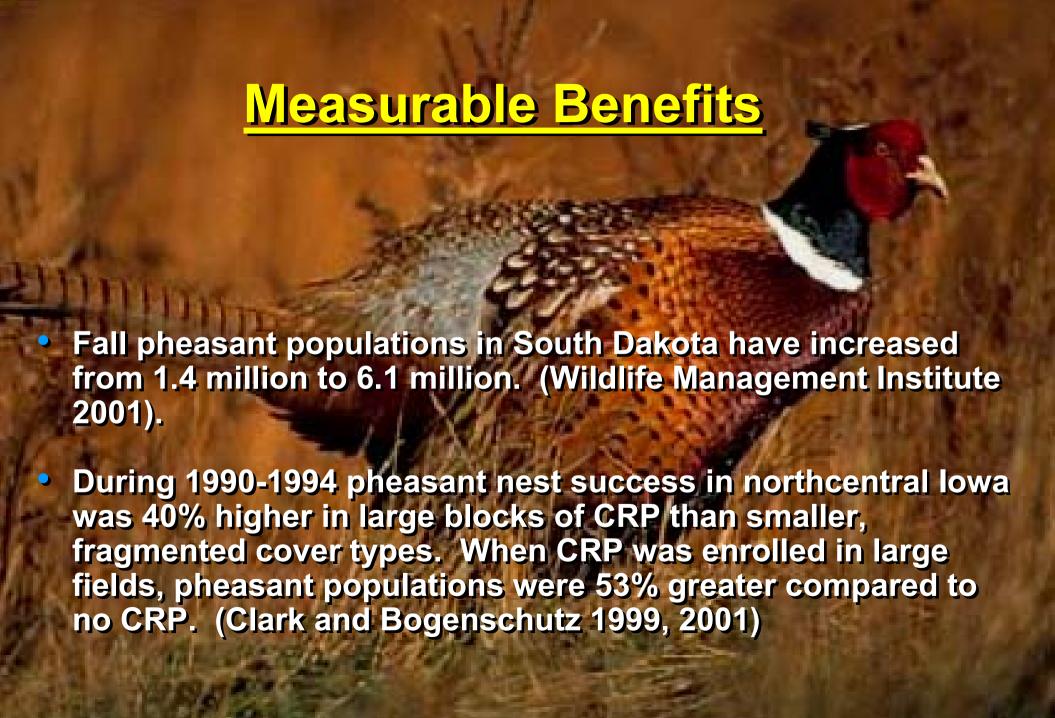
Measurable Benefits

- During 1992-1997, nest success of five common duck species was 46% higher in the Prairie Pothole Region (ND, SD, MT) with CRP than if CRP was replaced with cropland.
- 12.4 million additional recruits added to the fall flight as a result of CRP in the PPR from 1992-1997.

For Most Duck Species, Population Levels are Primarily Driven by Events on the Breeding Grounds!



"Nest success, breeding survival, and duckling survival together explained 76% of the variation in mallard population growth rate." (Hoekman et al., Journal of Wildlife Management 66(3):883-900.)



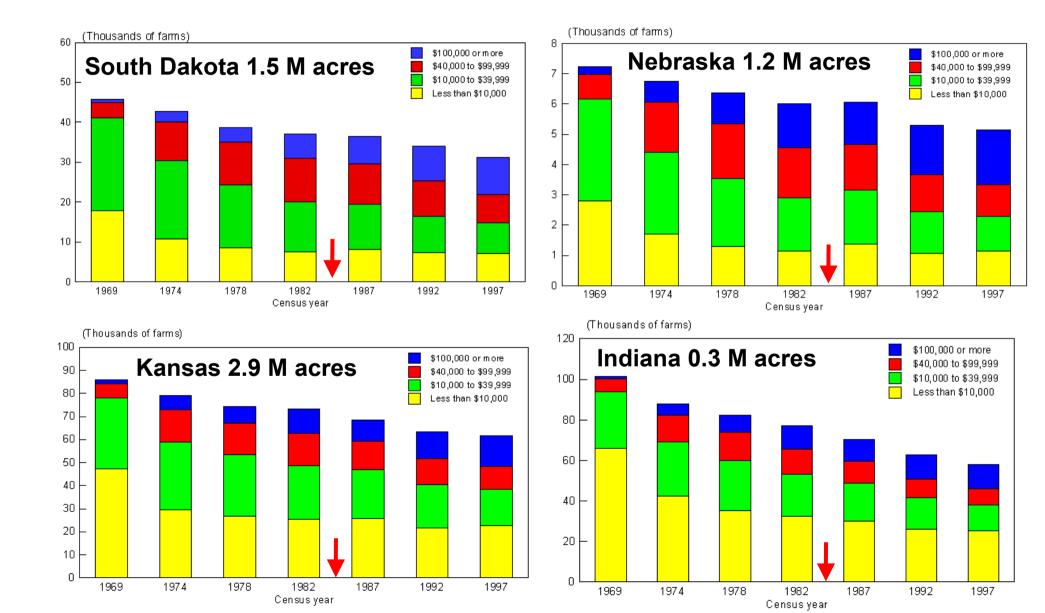
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Based on densities of grassland songbirds in CRP fields, Johnson and IgI (1995) predicted that populations of at least 5 of 12 species would decline statewide in North Dakota by 17% or more if CRP was greatly reduced on the state's landscape.

Documented benefits of CRP in the Prairie Pothole Region are the result of large blocks of grass through the general sign-up



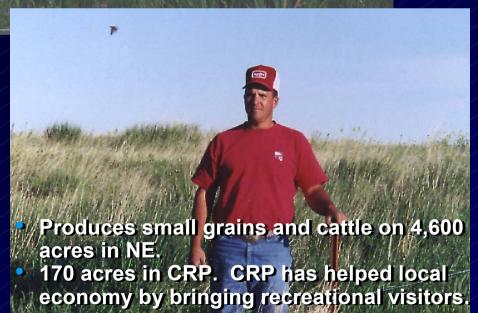
Dispelling Some Concerns: CRP has caused decline of farms & rural communities



Dispelling Some Concerns: CRP is not a part of "working lands"



- Produces small grains and cattle on 2,700 acres in SD.
- 600 acres in CRP that has added fee hunting income to operation.





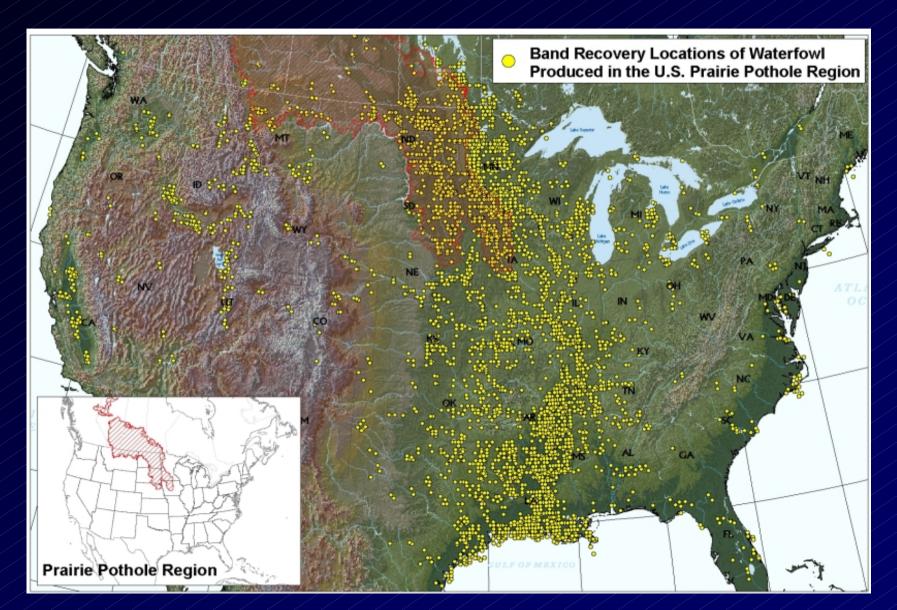


Dispelling Some CRP Concerns

Survey of 1,000 CRP contract holders in ND (Hodur et al. 2002)

- Only 11% said they enrolled in CRP as a transition to retirement. Other 89% enrolled for economics and environmental benefits.
- 31% indicated that CRP was instrumental in keeping them on the farm.
- Average farm size was 1,800 acres and 68% indicated they had enrolled less than 300 acres. CRP tracts were a small fraction of the land needed for an economically viable farming operation.
- Very few contract holders enrolled land in CRP and then left the area. Only 23% lived outside the area of their CRP tracts and 73% indicated they had lived there for 10 years or more.

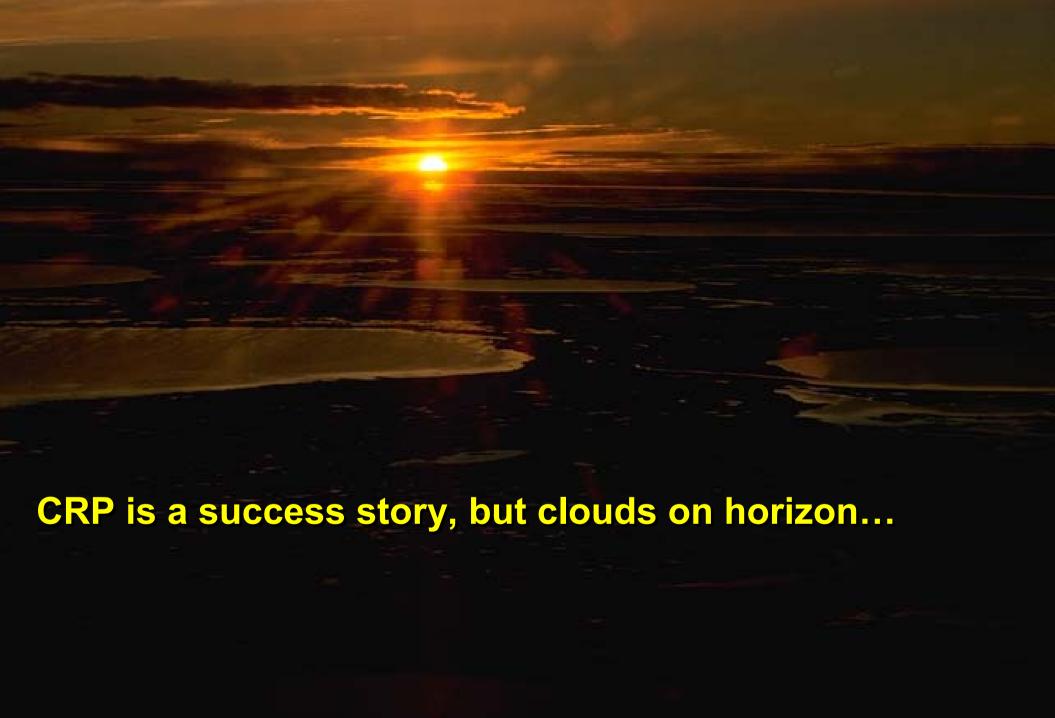
Dispelling Some Concerns: CRP environmental benefits are local



National Economic Impacts

- 1.6 million waterfowl hunters in U.S.
- \$3.9 billion in total economic effect¹
- Nearly 20 million waterfowl and shorebird viewers in U.S.
- Total economic output of \$9.8 billion
- Hunting and wildlife viewing are big businesses which migratory birds produced on CRP in the PPR feed

¹ from Southwick Associates (1995), adjusted for number of hunters and change in consumer price index 1991-2000 of 29%

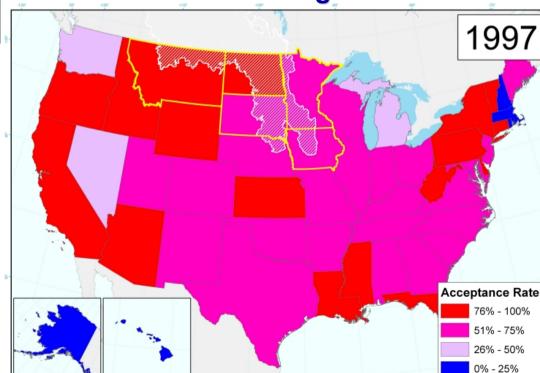


2003 **Acceptance Rate** 76% - 100% 51% - 75% 26% - 50% 0% - 25%

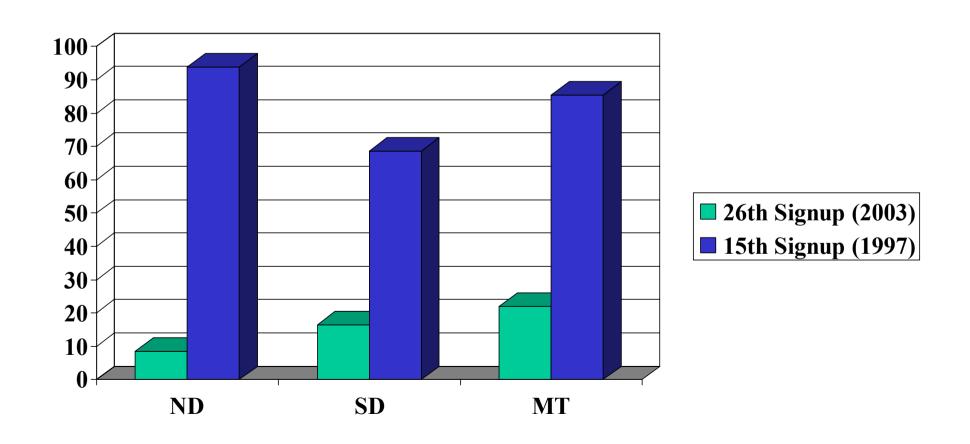
National average = 48%

Acceptance rates of CRP acres offered under recent and past sign-ups

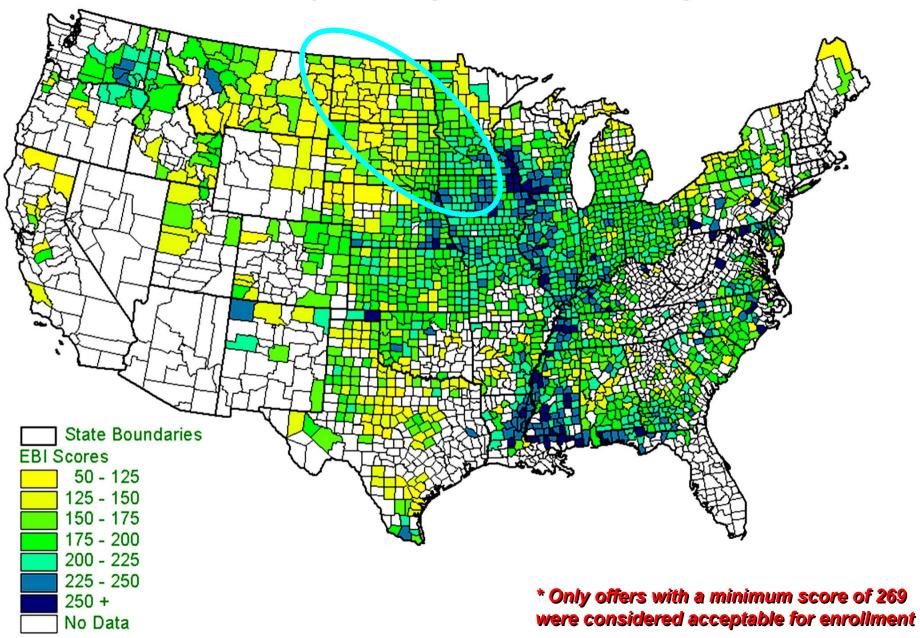
National average = 67%



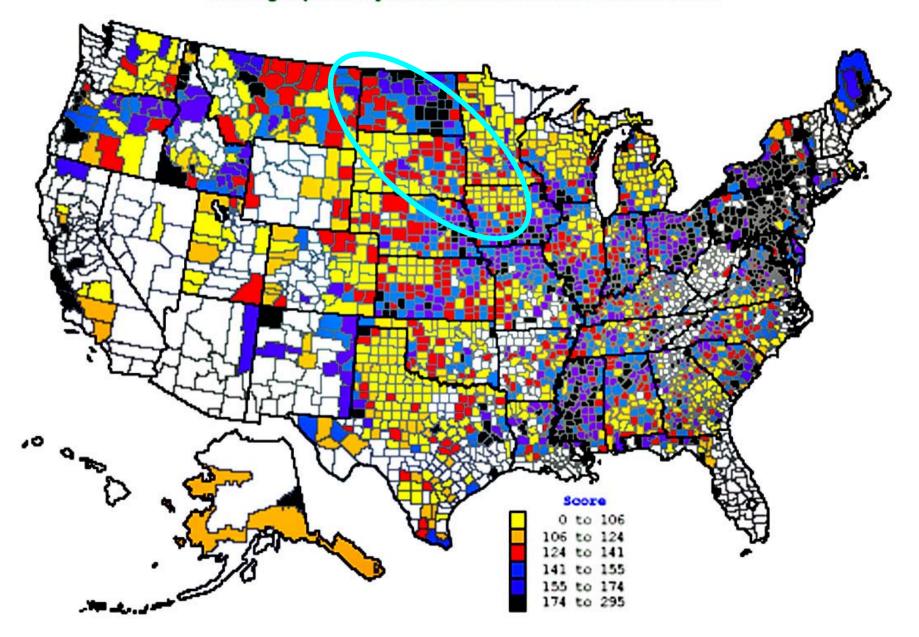
Acceptance Rates in 3 Key Prairie Pothole Region States



County Average EBI for 26th sign-up



15th Signup: Unadjusted Environmental Benefits Index



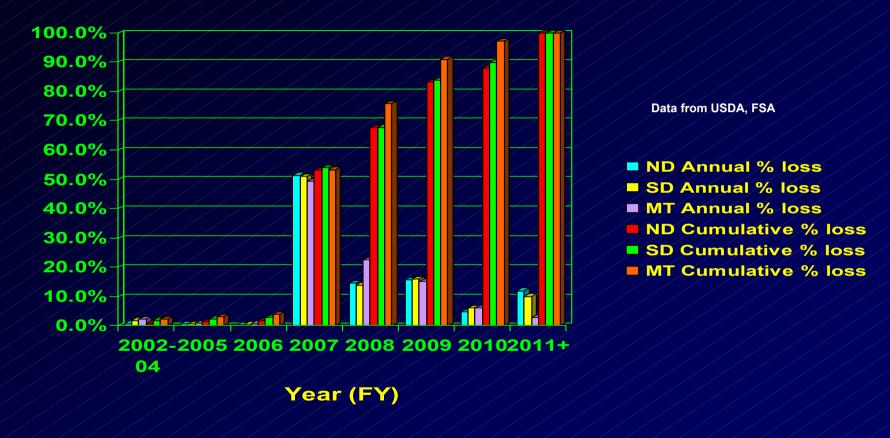
Why are the prairies of North Dakota, South Dakota, and Montana no longer a focal point for new CRP acres?

> MAIN REASON: Changes to the EBI since the 15th and 16th sign-ups (1997)

> Changes:

- 1) Loss of National Priority Area (NPA's) points in EBI. 25 pts.
- Loss of CP23, Wetlands Restoration under environmental factor
 N1a: Cover Practices (CP) nearly 1/3 of ND's current CRP acres fall under this CP 30 50 pts. Currently, CP23 is now only available for continuous sign-up
- 3) Loss of Wildlife Factor N1d: Adjacent to Protected Areas evaluated the proximity of the offer to wildlife habitat protected by Federal, State, Local or other interests -10 pts.
- 4) Loss of Wildlife Factor N1f: Restored Wetland to Upland Percentage based on optimizing nesting habitat for waterfowl 10 pts.
- 5) Loss of Water Quality Factor N2d: Wetland Benefit points if 10% or more of an offer was cropped wetlands 10 pts.
- 6) Loss of New Cropped Wetland Restoration (CP23) from the list of Enduring Benefits Factors (N4) 25 pts.
- Amounts to potential loss of 130 pts!

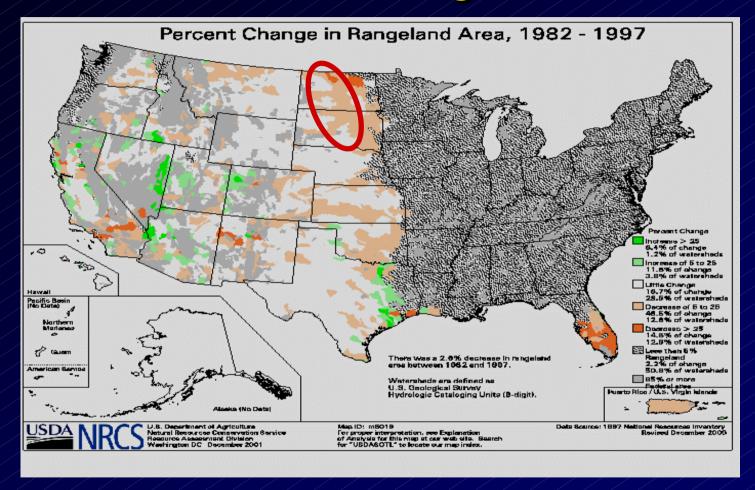
Projection of Expiring CRP Acres in North Dakota, South Dakota, and Montana



At Current Acceptance Rates:

- 84% of 4.1 million acres expiring in 2007 would be lost.
- To retain current acres, 57 million acres or 54% of the cropland in these 3 states would have to be offered. Only 12.4 million acres have been offered since 1997.

Continuing Loss of Grasslands in the Prairie Pothole Region



62% (56 million acres) of grasslands converted to cropland in Prairie Pothole Region since settlement. CRP offsets a portion of this loss

Take Home Messages

- CRP is approaching critical mass in the Prairie Pothole Region with well documented wildlife, environmental, and economic benefits. These benefits are the result of large blocks of restored grasslands and wetlands.
- As we look to address conservation concerns in other parts of the country, we should not sacrifice the gains that have been made in the PPR. The EBI and eligible practices need to be reevaluated to prevent CRP loss from this region.
- The demand remains strong from producers for CRP to maintain family farms, revitalize rural economies, and address conservation issues. Our collective challenge is increasing funding and support to meet that demand.